§ 420-j. Liquidation of insured savings and loan associations. 1. In the event that a savings and loan association is in default, the fund may be appointed by the superintendent as conservator or receiver and as such, may be authorized by the superintendent (a) to take over the assets of and operate such association, (b) to take such action as may be necessary to put it in a sound and solvent condition, (c) to negotiate for a merger with another insured savings and loan association, (d) to negotiate the organization of a new savings and loan association to take over its assets, or (e) to proceed to liquidate its assets in an orderly manner, whichever shall appear to the superintendent to be in the public interest. The payment by the fund of an insured account in any such association which is in default shall entitle the fund to the rights of the holder of such insured account, but shall not affect any right which the holder of such account may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association.

2. In order to prevent a default in an insured savings and loan association or in order to restore an insured association to normal operation as an insured savings and loan association, the fund is authorized, in its discretion, to make loans to, purchase the assets of, or make a contribution to, an insured savings and loan association or an insured savings and loan association in default; but no contribution shall be made to any such association in an amount in excess of that which the fund finds to be reasonably necessary to save the expense of liquidating such association.